

Message Text

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TO AMEMBASSY BONN IMMEDIATE
AMEMBASSY LONDON IMMEDIATE

S E C R E T STATE 096704

NODIS
STADIS TO BONN FOR AMBASSADOR AND LONDON FOR NYE

FOLLOWING REPEAT BRASILIA 3330 ACTION SECSTATE DATED APR 27:

QTE: S E C R E T BRASILIA 3330

NODIS

STADIS

FOR THE DEPUTY SECRETARY FROM CRIMMINS

DEPT PLEASE PASS TO BONN FOR AMBASSADOR AND LONDON FOR NYE

E.O. 11652: GDS
TAGS: ENRG, PARM, BR, GW
SUBJ: FRG/GOB NUCLEAR AGREEMENT - NEXT STEPS
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REF: STATE 092297

1. WE BELIEVE THAT THE TIME HAS COME TO MAKE THE MOVE
PROPOSED IN THE REFTEL. THE CRITICAL FACTOR REMAINS OUR READI-
NESS AND ABILITY TO EXERT PERSUASIVE INFLUENCE AND PRESSURE ON
THE FRG.

2. OUR COMMENTS, KEYED TO THE SUBPARAS OF PARAS 3 AND 4 FOLLOW:

A. PARA 3, FIRST SUBPARA: WITH RESPECT TO THE REFERENCES TO OUR SALT PROPOSALS AND OUR COMPREHENSIVE TEST BAN POLICY, WE ASSUME THAT THESE WILL BE RELATED IN THE TEXT TO BRAZILIAN CONCERNS ABOUT VERTICAL PROLIFERATION. THIS WOULD BE INTENDED TO WEAKEN THE BRAZILIAN ABILITY TO ARGUE, NOT ENTIRELY SPECIOUSLY, THAT THE PROBLEM IS IN VERTICAL AND NOT HORIZONTAL PROLIFERATION.

B. PARA 3, SECOND SUBPARA: WE AGREE WITH THE IDEA OF RAISING THE SUBJECT TO THE LEVEL OF THE THREE CHIEFS OF GOVERNMENT, BUT WE NOTE, AS A POINT OF FACT, THAT THERE SHOULD BE NO MISUNDERSTANDING ABOUT GEISEL'S DIRECT GUIDANCE OF THE DISCUSSIONS THAT HAVE BEEN CARRIED OUT THROUGH DIPLOMATIC CHANNELS THUS FAR. CONCERNING THE QUESTION OF A SPECIFIC PROPOSAL WITH RESPECT TO FURTHER DISCUSSIONS, WE LEAN TOWARD NOT MAKING AN OFFER BECAUSE IT WOULD SUGGEST TENTATIVENESS AND INDECISIVENESS ON OUR PART. IF THE GOB WISHES TO SEEK A MEETING TO PURSUE THE QUESTION, IT WILL LET US KNOW, UTILIZING PERHAPS THE STILL OPEN PROPOSAL FOR A "NON-DISCUSSION". ON MEANS OF DELIVERY, IT WOULD NOT BE NECESSARY OR WISE TO PROVIDE A BACK-UP DUPLICATE. THERE IS NO DANGER THAT SILVEIRA WOULD NOT TRANSMIT SUCH A LETTER UNDISTORTED.

C. PARA 3, THIRD SUBPARA: WE IN BRASILIA ASSUME
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THAT OUR HOPE THAT SCHMIDT WOULD ENDORSE THE PROPOSALS TO GEISEL WOULD BE BASED NOT ONLY ON THEIR MERITS BUT ALSO ON THE FIRM INVOCATION OF OTHER RELEVANT ASPECTS OF THE USG-FRG RELATIONSHIP. WE REAFFIRM THE CONVICTION THAT, WITHOUT FRG ACTION, IN THIS CASE SCHMIDT'S SUPPORT OF THE PROPOSALS, THE GOB HAS NO INCENTIVE TO MOVE.

WITH RESPECT TO THE SEQUENCE OF PRESIDENTIAL ACTIONS, IT WOULD BE HIGHLY PREFERABLE, IN OUR VIEW, FOR THE PRESIDENT FIRST TO GET SCHMIDT'S ENDORSEMENT OF THE PROPOSED SETTLEMENT AND AN AGREEMENT TO SUPPORT IT WITH GEISEL. THEN THE PRESIDENT WOULD WRITE GEISEL, INCORPORATING A REFERENCE TO SCHMIDT'S ENDORSEMENT. PRACTICALLY SIMULTANEOUSLY, SCHMIDT WOULD PARALLEL THE PRESIDENT'S LETTER WITH ONE OF HIS OWN TO GEISEL. THE IMPACT OF USG-FRG AGREEMENT WOULD BE CONSIDERABLY GREATER AND THE CHANCES FOR GOB EVASION WOULD BE LESS THIS WAY. STILL MORE IMPORTANT, IF SCHMIDT CANNOT BE BROUGHT TO ENDORSE THE PROPOSED SETTLEMENT, WE WOULD HAVE AVOIDED A FRUITLESS AND DAMAGING EXERCISE WITH THE GOB.

D. PARA 4, SUBPARA A, FIRST SUBPARA: THE GOB, IN THE WHITE BOOK (PAGE 22 OF THE ENGLISH VERSION) HAS ALREADY CONFIRMED PUBLICLY THAT, HAVING SIGNED TLATELOLCO, IT "HAS COMMITTED ITSELF, ACCORDING TO THE CANONS OF INTERNATIONAL LAW, NOT TO PERFORM ANY ACT WHICH DEFEATS THE OBJECTIVE OF THE TREATY, TO WHICH THERE CORRESPONDS THE GUARANTEE THAT THE OTHER SIGNATORIES WILL DO LIKEWISE". IN STRICTLY LEGAL TERMS, THIS IS BY NO MEANS EQUIVALENT TO "ACTING AS IF BOUND". JUST POSSIBLY, THIS GAP CAN, PERHAPS, BE BRIDGED. HIGHLY RELEVANT TO THIS ASPECT, CMWEVER, IS THE QUESTION OF HOW MANY LATIN AMERICAN COUNTRIES FOR WHICH THE TREATY IS IN FULL EFFECT HAVE ACTUALLY SIGNED SAFEGUARDS AGREEMENTS WITH THE IAEA. IN ANY EVENT, THE TEXT WOULD HAVE TO BE DRAFTED TO REFLECT ACCURATELY THE BRAZILIAN WRITTEN, PUBLIC JURIDICAL POSITION, AS WELL AS TO REFER TO THE PRIOR EXISTENCE OF AN OFFICIAL PUBLIC STATEMENT. THE CRITICAL FOLLOW-ON
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POINT, THAT IS, "THUS ALL OF ITS NUCLEAR FACILITIES WILL BE UNDER IAEA SAFEGUARDS", HAS NOT BEEN STATED PUBLICLY, AND THIS PUBLIC AFFIRMATION IS, WE ASSUME, WHAT THE USG REALLY WANTS. IN LEADING UP TO THIS REQUEST TEXTUALLY, WE BELIEVE THAT IT IS IMPORTANT TO CITE THE OFTEN-EXPRESSED GOB POSITION THAT IAEA SAFEGUARDS ARE THE ANSWER TO HORIZONTAL NOF-PROLIFERATION, BEING VERY CAREFUL, HOWEVER, NOT TO SUGGEST THAT WE AGREE, BECAUSE TO DO SO WOULD CREATE VULNERABILITIES WITH RESPECT TO OUR POSITION ON THE REPROCESSING PLANT DEFERRAL.

E. PARA 4, SUBPARA A, SECOND SUBPARA: WHAT DO WE MEAN BY: "OFFER TO WORK WITH BRAZIL TO BRING THE TREATY OF TLATELOLCO INTO FULL EFFECT"? IF WE MEAN THAT WE WILL MAKE EFFORTS -- JOINTLY WITH BRAZIL, WHERE MUTUALLY AGREED -- WITH THE USSR, CUBA, FRANCE, GUYANA, ARGENTINA AND CHILE, IT WOULD BE HELPFUL TO SAY SO. WE SHOULD BE AS CONCRETE AS POSSIBLE AND AVOID A VAGUE FORMULATION. AS FOR THE REMAINDER OF THE SENTENCE, WE ARE UNCERTAIN ABOUT WHAT IS INTENDED. WE ARE CONFUSED BY THE LINKAGE OF THE NEPP QUESTION TO THE FULL EFFECTIVENESS OF TLATELOLCO RATHER THAN TO THE PUBLIC ACCEPTANCE OF FULL SCOPE IAEA SAFEGUARDS. THE PUBLIC ACCEPTANCE BY BRAZIL OF FULL-SCOPE IAEA SAFEGUARDS UNDER TLATELOLCO MOOTS THE NEPP QUESTION, DOES IT NOT? IN OTHER WORDS, THE BRAZILIAN INTERPRETATION OF ARTICLE 18 WOULD BE MADE A DEAD LETTER, NOT BY THE FULL EFFECTIVENESS OF THE TREATY, BUT BY THE ACCEPTANCE OF IAEA SAFEGUARDS WHICH DO NOT DISTINGUISH BETWEEN EXPLOSIVES FOR PEACEFUL PURPOSES AND FOR BELLICOSE PURPOSES. ARE WE MISINTERPRETING THE EFFECTS OF THE IAEA SAFEGUARDS? THESE QUESTIONS WE

RAISE ARE NOT RPT NOT INTENDED IN ANY WAY TO SUGGEST THAT THERE SHOULD NOT BE A HEAD-ON ADDRESS TO THE NEPP QUESTION. WE CONSIDER IT ESSENTIAL THAT THE GOB UNDERSTAND WHAT WE ARE DRIVING AT; AMBIGUITY ON THIS POINT CAN ONLY LAY UP SERIOUS TROUBLE FOR THE FUTURE. OUR QUESTIONS REFER RATHER
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TO THE LOGICAL SEQUENCE FOR MAKING THE POINT. ON THE SUBSTANCE, WE BELIEVE THAT, DESPITE SIGNS OF GOB MOVEMENT (BRASILIA 3328), THE GOB WILL HAVE A GREAT DEAL OF DIFFICULTY IN RENOUNCING NEPP'S, AND IT WILL BOB AND WEAVE AND RESORT TO A VARIETY OF STALLS, DODGES AND LEGALISMS. ON THE OTHER HAND, THE GOB WILL BE ON THE SPOT, AND, WE WOULD HOPE, THE FRG AS WELL.

F. PARA 4, SUBPARA B: WE BELIEVE THAT THIS IS A POSITIVE ELEMENT THAT WOULD BE APPEALING TO BRAZIL. THERE IS, HOWEVER, A REPROCESSING ANGLE THAT IS REFERRED TO BELOW.

G. PARA 4, SUBPARA C: FRANKLY, WE ARE TAKEN ABACK BY THE REFERENCE TO A "MULTI-NATIONAL ENRICHMENT FACILITY IN BRAZIL". THIS IS NEW TO US. DO WE MEAN A "BINATIONAL" (I.E., FRG-GOB) FACILITY? ALSO WE SEE IN STATE 092303 (NOTAL) A REFERENCE TO "STRICTLY LIMITED ENRICHMENT". DOES THAT MEAN THAT WE ACCEPT THE GERMAN ARGUMENT THAT TECHNICAL LIMITATIONS OF THE JET-NOZZLE PROCESS PREVENT HIGH ENRICHMENT AND THAT THERE WILL BE NO ENRICHMENT ABOVE THREE PERCENT? ARE WE COUNTING ON FRG ASSOCIATION WITH THE PLANT TO PREVENT HIGHER ENRICHMENT? ARE WE SATISFIED WITH THE NATURE OF FRG INVOLVEMENT IN THE JOINT VENTURE?

H. PARA 4, SUBPARA D: ALTHOUGH WE APPRECIATE THAT DEFERRAL IS ADVANCED IN BROAD TERMS OF AWAITING THE RESULTS OF THE FUEL-CYCLE EVOLUTION PROGRAM, WE NOTE THAT OUR PROMOTION OF THE ALTERNATIVE THORIUM FUEL CYCLE AND OUR OFFER TO COOPERATE WITH THE GOB IN THE HTGR FIELD RAISE SOME QUESTIONS ABOUT GENERAL DEFERRAL OF REPROCESSING CAPABILITY AND OUR REQUEST FOR DEFERRAL OF THIS TRANSFER TO BRAZIL. THE HTGR AND THORIUM CYCLE IN OTHER REACTOR TYPES ARE MORE DEPENDENT, IT SEEMS TO US, ON SPENT FUEL REPROCESSING, EVEN THOUGH A DIFFERENT CHEMICAL PROCESS NOT YIELDING PLUTONIUM WOULD BE INVOLVED, THAN ARE THE LWR SYSTEMS. INCREASED INTEREST AND EFFORTS IN
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THE THORIUM ALTERNATIVE WOULD NOT DAMPEN GOB INTEREST

IN MASTERING THE TECHNOLOGY OF CHEMICAL PROCESSING EQUIPMENT, REMOTE OPERATION AND MAINTENANCE, AND HANDLING AND SHIELDING PROBLEMS ASSOCIATED WITH SPENT FUEL PROCESSING.

3. WE EARNESTLY REQUEST THAT WE BE GIVEN AN OPPORTUNITY TO REVIEW THE DRAFT OF THE PRESIDENT'S LETTER BEFORE FINAL APPROVAL IN WASHINGTON IN ORDER, IN PART, TO CATCH UNNECESSARILY OFFENSIVE LANGUAGE THAT MIGHT CREEP IN. FOR EXAMPLE, THE WORDS "WE ACCEPT" IN PARA 4C OF THE OUTLINE WOULD HAVE IN A LETTER AN EASILY AVOIDABLE PATERNALISTIC AND PREPOTENT TONE.

4. DR. ROBERT GOECKERMAN, THE EMBASSYSCIENCE COUNSELOR, WILL BE IN WASHINGTON FOR CONSULTATION NEXT WEEK AND IS AVAILABLE FOR ANY INPUTS THE DEPARTMENT MAY WANT.
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